

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1965 - SB 2033

March 14, 2011

SUMMARY OF BILL: Makes changes to the Tennessee Title Pledge Act and the Deferred Presentment Services Act regarding the permissible rates that lenders can charge a borrower. Reduces the effective rate of interest that may be charged from two percent to one-half of one percent per month and the customary fee from one-fifth to three percent of the original principal amount of the title pledge agreement. Reduces the fee amount that a deferred presentment service provider is authorized to charge a customer from 15 percent of the face amount of the check, or \$30, to five percent of the face amount of the check, or \$30.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- There will not be a significant change to the current regulatory or administrative procedures of the Department of Financial Institutions.
- Any increase in state expenditures for the Department to implement the provisions of the proposed legislation will be not significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

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